

Award Fee Determination Scorecard

Contractor: Bechtel National, Inc. (BNI)

Contract: Design, Construction, and Commissioning of the Hanford Tank Waste Treatment & Immobilization Plant

Contract Number: DE-AC27-01RV14136

Award Fee Period: July 1, 2013 to December 31, 2013

Basis of Evaluation: 2013-B Performance Evaluation and Measurement Plan

Award Fee Available: \$6,300,000

Award Fee Earned: \$3,025,000 (48.0%)

Incentive B.1 – Award Fee-Project Management

The fee for Project Management is divided into three Award Fee Objectives (AFOs) as follows:

	<u>Available</u>	<u>Rating</u>	<u>Earned</u>
AFO 1: Self-Analysis/Assessments/ Discovery/Action	\$3,500,000	49%	\$1,715,000
AFO 2: Environmental/Safety/Health	\$1,000,000	75%	\$750,000
AFO 3: Quality Assurance Program	\$800,000	35%	\$280,000

Incentive B.2 – Award Fee-Cost

The fee for Cost consists of one AFO:

	<u>Available</u>	<u>Rating</u>	<u>Earned</u>
AFO 4: Project Leadership/Management	\$1,000,000	28%	\$280,000

Total Award Fee – Period 2013-B	48%	\$3,025,000
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Key Positives for AFO 1: Self-Analysis/Assessments/Discovery/Action

- Significant improvement in transparency
- Improving self-identification of issues

Key Areas for Improvement for AFO 1: Self-Analysis/Assessments/Discovery/Action

- Struggling with internal metrics/evaluation on quality of self-assessments to understand effectiveness
- Many corrective action plans required significant rework to be fully comprehensive
 - Corrective action plan development/implementation; due dates extended

Key Positives for AFO 2: Environmental/Safety/Health

- Continuing to improve nuclear safety culture; significant improvement in management responsiveness
- Design basis accident documents completed by working-level safety design integration team
- Project and construction site safety performance is the best in project history
- Project received U.S. Department of Energy Voluntary Protection Program star recertification

Key Areas for Improvement for AFO 2: Environmental/Safety/Health

- Early phases of Waste Treatment Plant Accountability Model did not ensure accountability became part of culture
- Delivery of high-level waste facility safety design strategy date was slipped

Key Positive for AFO 3: Quality Assurance Program

- Management changed focus to provide direct attention to quality assurance program/independent audits

Key Area for Improvement for AFO 3:

- In initial phases of defining and implementing key improvements in quality assurance and corrective action programs

Key Positives for AFO 4: Project Leadership/Management

- Successfully mitigated continuing resolution and finding new vendors
- Changes to baseline processes and procedures to ensure better alignment with contract requirements

Key Areas for Improvement for AFO 4: Project Leadership/Management

- Behind in key project deliverables to support high-level waste facility issue resolution
- Insufficient progress in developing plan to resolve heating, ventilation, and air conditioning and high-level waste melter offgas treatment process technical issues
- Growth of new project risk-to-complete identified – high percentage of risks being realized
- Not effectively mitigating schedule impacts – individual activity slippage